

# The Administration of Estates



**With Grant Abbott and Tony Anamourlis,  
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*“Administration of an estate is exactly what it says it is.*

**Administration.** *Most of the tasks relate to dealing with banks, the ATO, ASIC, CentreLink, setting up the Executor and of course probate. Of those the only thing that is outside of the role of the accountant is obtaining probate as you must be a legal practitioner to do that.*

*SAPEPAA is currently authoring competency standards for Family Advisory Board certification which has a detailed list of how to administer an estate smoothly. This is a big revenue area for accountants and with \$6 trillion to pass in estates over the next 30 years and average 2% + of fees per estate administration – do the numbers!”*

# The Estate Administration Scandal that will not go away

## Baby Boomers to pass on \$224b a year by 2050



**Aleks Vickovich**

*Wealth editor*

Dec 7, 2021 - 12.15am

Baby Boomers will pass on an estimated \$224 billion each year in inheritances by 2050 as record housing and super wealth, and fewer heirs, create a \$3.5 trillion bonanza for younger generations, including the poorest Australians.

In the first-ever official study of wealth transfers in Australia, the Productivity Commission has projected a fourfold increase in the value of inheritances over the next 30 years.

# The Estate Administration Scandal that will not go away

## WA's Public Trustee under microscope after charging \$370 an hour to transfer ownership of shares

By Rebecca Turner and Cason Ho  
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## Australians trapped and silenced under the Public Trustee



A Four Corners investigation reveals how people are virtually abducted and silenced under a system designed to protect Australia's vulnerable.



Justice Jeremy Curthoys, who was scathing of lawyers' "indefensible" legal fees. Credit: WA News

## Legal fee scandal: Lawyers 'feast' on Perth family estate

# Perfect planning, execution and action

## THE NATION IN MOURNING

### TEN DAYS OF COMMEMORATION AFTER THE QUEEN'S DEATH

**WHAT HAPPENS NOW?**

- 👑 The first person outside Balmoral to be told is the Prime Minister.
- 👑 The Royal Household issues an 'official notification', delivering the news to the public.
- 👑 Scottish Parliament is suspended.
- 👑 Flags across Whitehall are lowered to half-mast. The aim is to do this within ten minutes.
- 👑 Prince Charles delivers a broadcast to the nation.

**DAY ONE**

- 👑 The Accession Council convenes and declares Charles as the new sovereign.
- 👑 The Prime Minister and the Cabinet hold an audience with the King.

**DAY TWO**

- 👑 The Queen's body is returned to Buckingham Palace on the Royal Train and her coffin placed in the Throne Room.

**DAY THREE**

- 👑 King Charles begins a tour of the four nations of the UK, starting with a visit to Parliament, where MPs give a 'motion of condolence'.

**DAY FOUR**

- 👑 Charles arrives in Northern Ireland to receive another motion of condolence.
- 👑 In London, a rehearsal takes place for the procession of the Queen's coffin from Buckingham Palace to Westminster.

**DAY FIVE**

- 👑 The coffin leaves Buckingham Palace and is carried to Westminster Hall.

**DAY SIX TO NINE**

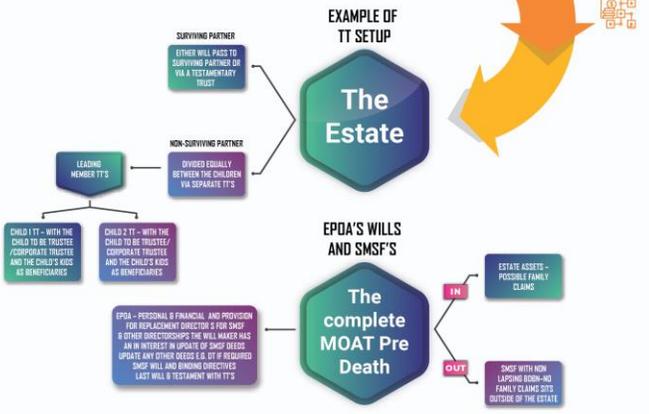
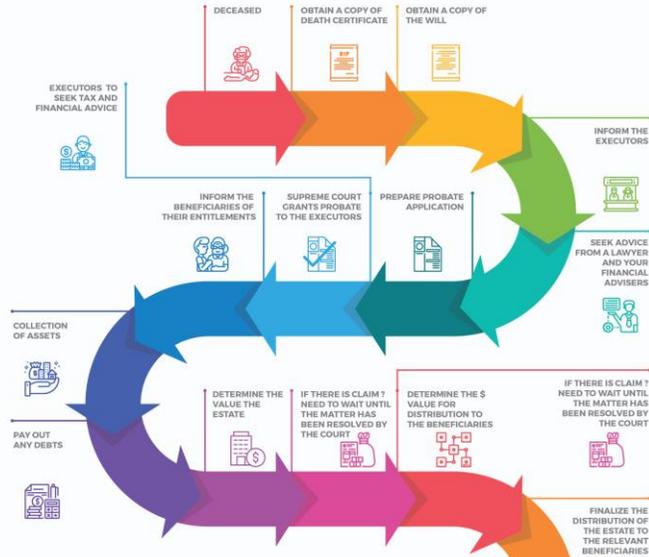
- 👑 The Queen lies in state for three days. Her coffin sits on a raised box, known as a catafalque, in the middle of the hall, which is open to the public for 23 hours a day.
- 👑 On day seven, Charles flies to Wales for the final leg of his UK tour.

**DAY TEN**

- 👑 The Queen's funeral. It is a 'Day of National Mourning' - but not an official bank holiday.
- 👑 The state funeral is held at Westminster Abbey.
- 👑 A two minutes' silence is held at midday.
- 👑 There is a committal service at St George's Chapel at Windsor Castle. The Queen is then buried in the castle's King George VI Memorial Chapel.



## FLOW MAP – GENERAL ADMINISTRATION OF ESTATES



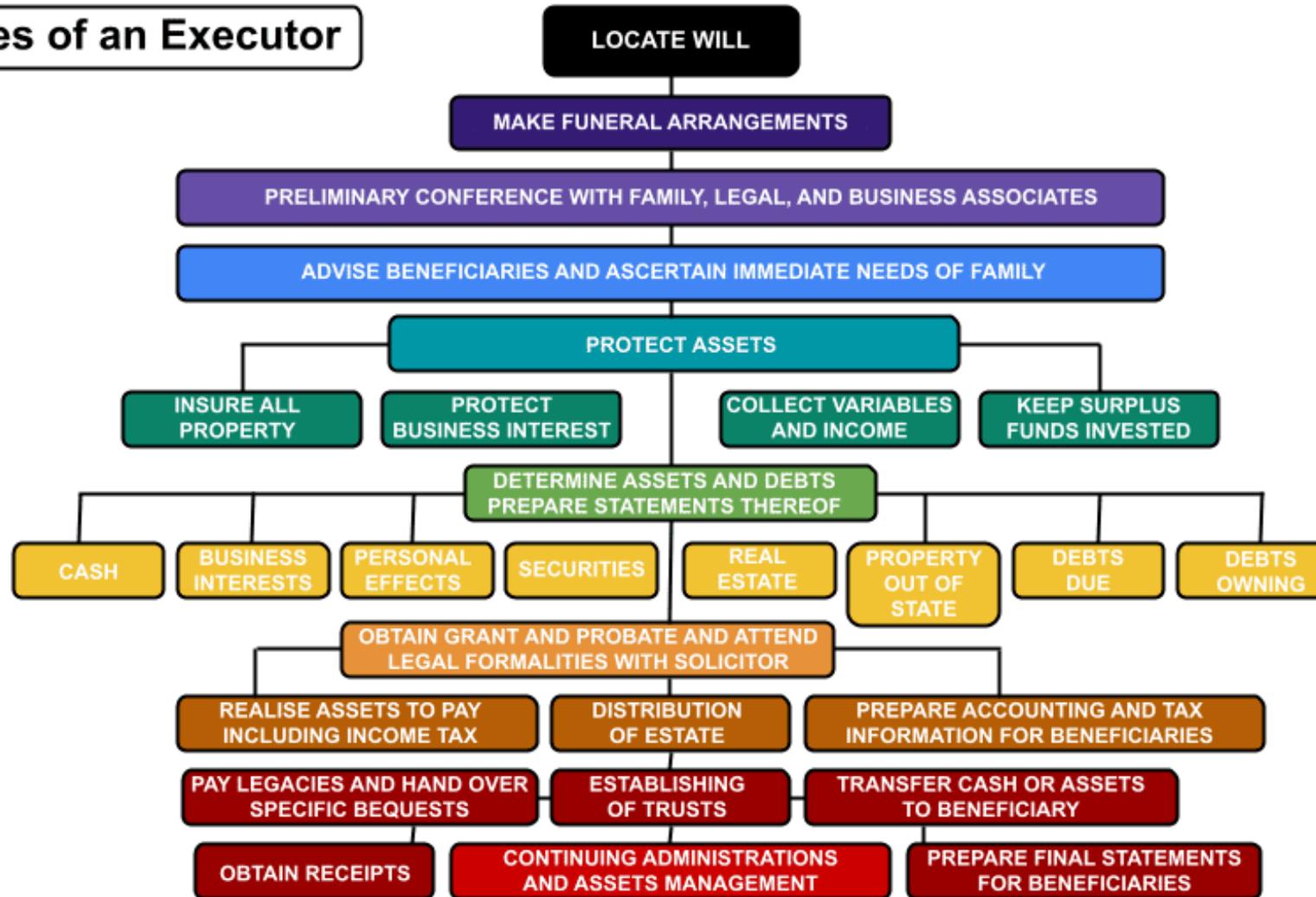
# Probate: Grants of Representation

A Grant of Representation is a legal document issued under the seal of the Court which enables the person(s) named as Executor(s) or Administrator(s) to deal with the assets of the deceased. It allows money of the deceased held in banks, managed funds etc, to be collected, property to be sold or transferred and debts to be paid. The Grant is proof to anyone wishing to sight it that the person named in the Grant is entitled to collect and distribute the estate of the deceased. There are four types of Grants of Representation issued by the Court.

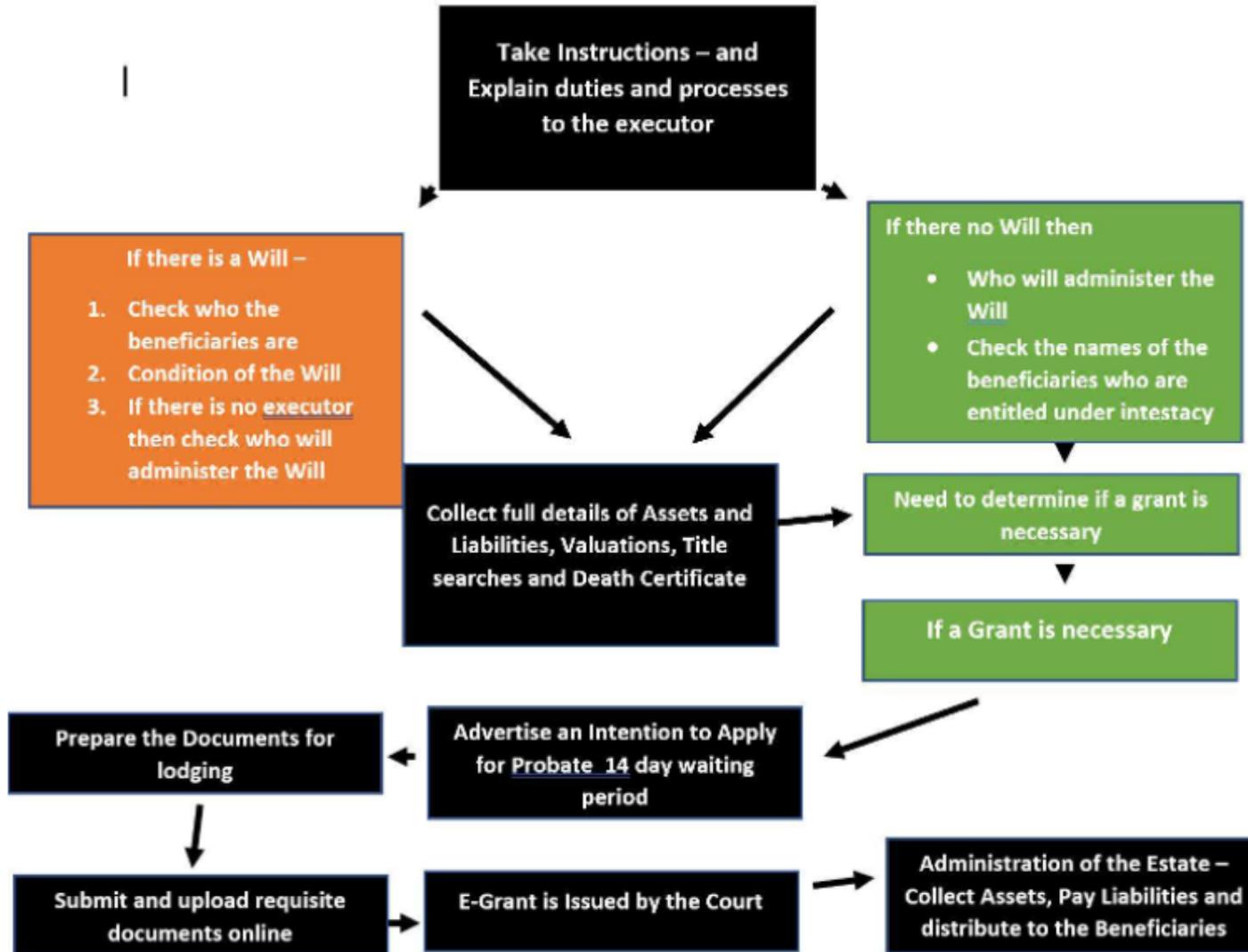
# The Executor and their role

- In making a Will, it is necessary to appoint at least one executor and trustee.
- The executor's role is to administer the estate in accordance with the terms of the will. Which includes:
  - locating the will and arranging the funeral
  - obtaining probate
  - ascertaining the assets and liabilities
  - discharging the liabilities
  - distributing the balance of the estate and preparation of a distribution report for the beneficiaries
  - lodging tax returns and pay the applicable taxes

# Duties of an Executor



## FLOW CHART OF PROCEDURE TO OBTAIN GRANT OF PROBATE



## WHAT HAPPENS ON THE DEATH OF A MEMBER OF THE FUND

### STEP 01

#### Member's death sparks a course of action by the Adviser and the Trustee

- A Obtain notification and note from the Trustee that the member is dead
- B Advice to be sought dependant upon any formal requests in the Binding Death Benefit Nomination SMSF Will or Conditional Pension

### STEP 02

#### Documentation Review – linked to the Members

- A Review the SMSF Trust Deed
- B Check that the lineage and any Change of Trustee documents are correct
- C Review the BDBN, SMSF Will and any Pension documentation

### STEP 03

#### Trustee/Director Appointment

- A What do the Trust Deed or the Trustee Constitution require for SMSF replacements?
- B What voting powers apply to the existing Trustees and Replacement Trustee/Director?
- C What is the Adviser's position?
- D Notify the Regulators

### STEP 04

#### Fund-Member Insurances

- A Review any Fund/Member Insurances
- B Contact Life Broker to accelerate insurance payout
- C Determine insurance distribution policy

### STEP 05

#### Determine Member Death Benefits

- A Calculate death benefits in line with the trust deed – BDBN or SMSF Will
- B Are there any reserve payments?
- C Value assets used to pay death benefits

### STEP 06

#### Auto-reversionary Pensions

- A What does the deed state regarding the transfer of the pension?
- B Review of Pension documentation for compliance and transfer of Pension Account

### STEP 07

#### Set up Payment Schedules

- A Be careful as the SIS Act requires that once the first payment is made the Replacement Trustee must step down
- B Review who is to get what payment – lump sum or income stream and are there any in-specie payments?

### STEP 08

#### Retirement of Replacement Trustee

- A The laws require the retirement of the Replacement Trustee/Director
- B Ensure new Members become Trustee/Director unless incapacitated

### STEP 09

#### Ongoing payout of Pensions

- A What are continuing Pension requirements?
- B Is there a SMSF Guardian in place to protect further reversionaries down the line?